Chinalco Yunnan Copper Resources Limited
ABN 29 070 859 522

Level 5, 10 Market Street
Brisbane QLD 4000
GPO Box 216
Brisbane QLD 4001

Tel: +61 7 3212 6204
Fax: +61 7 3212 6250

ASX Release **4 December 2013**

Chinalco Yunnan Copper Resources Ltd (ASX: CYU)

COMPLETION OF INITIAL COPPER/GOLD DRILLING PROGRAM AT MILLENIUM – LARGE MINERAL SYSTEM IDENTIFIED

- **Identification of a new (and potentially large) mineralised system at Millenium**
- **Significant grades of copper, cobalt and gold intersected including:**
  - **5m @ 1.37% Cu, 0.37% Co and 0.5 g/t Au (Q001); and**
  - **19m @ 1.27% Cu, 0.38% Co and 0.7 g/t Au (including 6m @ 3.45% Cu, 0.32% Co and 2.0 g/t Au) (Q012)**
- **Initial drilling program completed within 6 weeks – on budget and on schedule.**

Chinalco Yunnan Copper Resources Limited (CYU) has completed its initial exploration drilling program at the Millenium prospect in north-west Queensland and achieved results that were beyond expectations.

On 17 September 2013, CYU announced that it had entered into a farm-in agreement with Elementos Ltd (ASX: ELT) providing CYU with the right to explore for copper, gold and other minerals and ultimately earn a majority interest in the Millenium Project.

Millenium, situated near Cloncurry in the world-class Mt Isa Inlier in north-west Queensland, includes several Mining Leases which cover an area totalling 134 hectares. (See location map in Figure 1 below).

The initial exploration program involved the drilling of thirteen (13) reverse circulation (RC) drillholes designed to validate historic drill results from the 1970's and early 1980's. **As a result of this program CYU has identified a large mineralised system with a strike length of 1200m which is still open both to the north and south.** In addition, because the drillholes in this program were shallow (up to 150m in depth), the mineralisation remains open at depth.

Assay results have confirmed the previous high-grade intersections from the earlier programs and are highlighted by:

Q001: **23m @ 0.48% Cu and 0.16% Co from 16m including:**
- **5m @ 1.37% Cu, 0.37% Co and 0.5 g/t Au**

Q002: **1m @ 2.1% Cu from 45m**

Q008: **5m @ 0.83% Cu, 0.20% Co and 0.3 g/t Au from 85m**

Q009: **6m @ 0.62% Cu, 0.25% Co and 0.1 g/t Au from 124m**

Q010: **20m @ 0.51% Cu, 0.19% Co and 0.1 g/t from 124m including:**

- **2m @1.07% Cu, 0.21% Co and 0.2 g/t Au; and**
- **8m @ 0.72% Cu, 0.21% Co and 0.2 g/t Au**

Q011: **19m @ 0.58% Cu, 0.04% Co and 0.2 g/t Au from 159m including:**

- **4m @ 0.71% Cu and 0.2 g/t Au;**
- **3m @ 0.88% Cu and 0.3 g/t Au; and**
- **3m @ 0.75% Cu and 0.2 g/t Au**

Q012: **19m @ 1.27% Cu, 0.38% Co and 0.7 g/t Au from 29m including:**

6m @ 3.45% Cu, 0.32% Co and 2.0 g/t Au

Q013: **34m @ 0.47% Cu, 0.08% Co and 0.2 g/t Au from 46m including:**

15m @ 0.83% Cu, 0.15% Co and 0.4 g/t Au.

Figure 2 shows the location of the thirteen RC drillholes and the areas where this high grade mineralisation was intersected. Annexure A shows the full suite of assay results from this initial program, applying a cut-off grade of 1000ppm (0.1%) Cu.

As with CYU's Elaine deposit and Mt Dockerill's Kalman deposit, the Millenium mineralisation is interpreted to originate from deep crustal fluids migrating along major crustal structures.

CYU Managing Director, Paul Williams, said that the initial exploration program at Millenium was an excellent start to activities in the region. "After a full analysis of the results from the initial exploration program by our Mt Isa-based exploration team, it is likely that next year CYU will continue to develop its knowledge of this project with drilling likely to extend further to the west (with deeper drillholes), infill drilling between the existing drillhole locations, and drilling to test the mineralisation strike length along the potential 10km zone that lies within the CYU tenure package".

On behalf of the Board

Paul Williams
Managing Director
paul.williams@cycal.com.au
+61 419 762 487

About CYU

Chinalco Yunnan Copper Resources Ltd ("CYU" or "Company") is a resource exploration and development company with project interests in the Mt Isa region of north Queensland, Chile and northern Laos.

CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd ("CYC"), owning 43% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide. CYU has offices in Brisbane, Mt Isa and in Santiago. The Company is listed on the ASX under the symbol "CYU".

Competent Person's Statement

The information regarding exploration activities and information set out in this ASX Release is based on information compiled by Mr Trevor Leahey, a Competent Person, who is CYU's Exploration Manager, a Chartered Professional Geologist and a Member of the Australasian Institute of Mining and Metallurgy. Mr Leahey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Leahey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1
(Location of the Millenium Mining Leases)

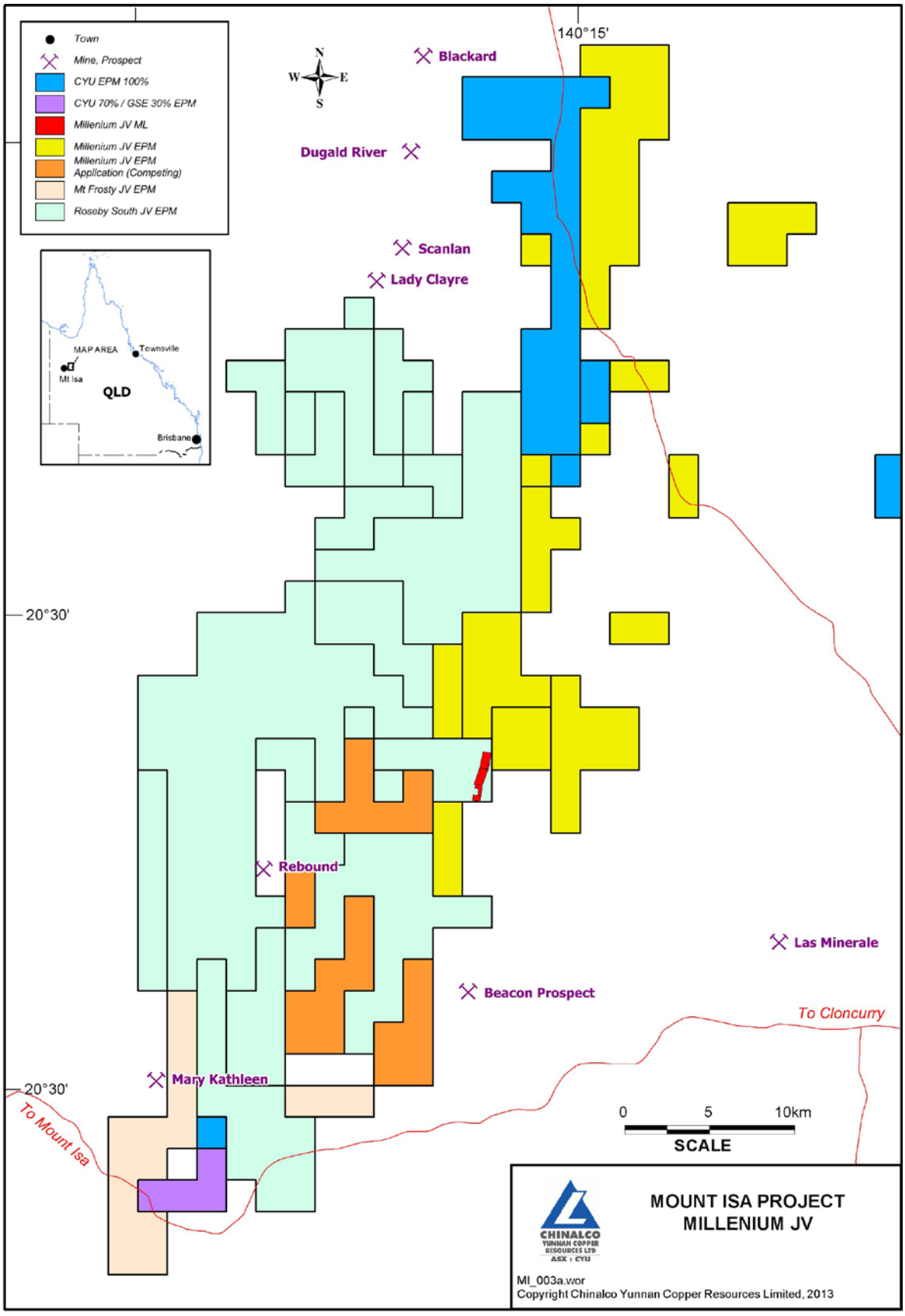
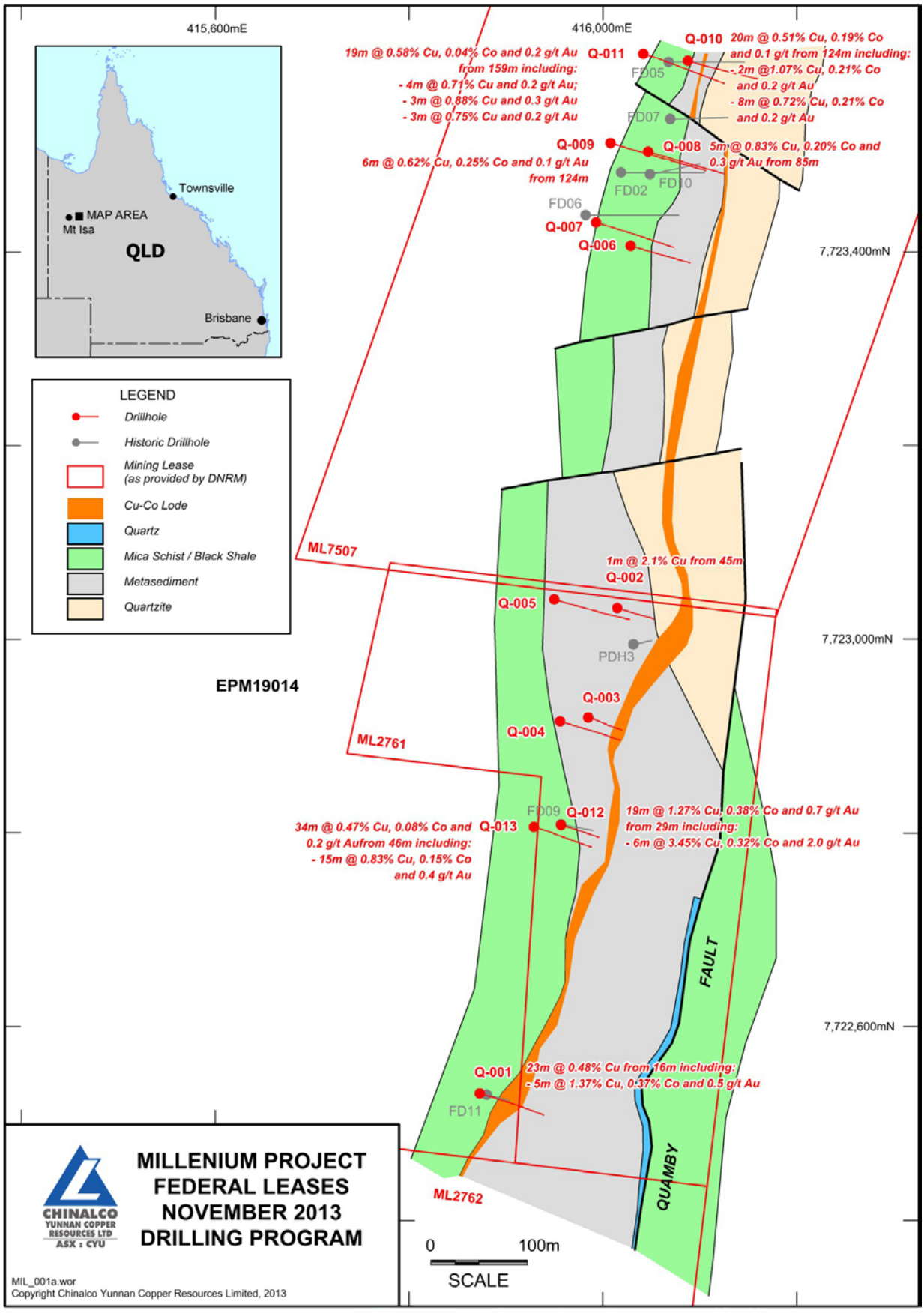


Figure 2
(Location of the 13 RC drillholes with high grade intersections highlighted)



Annexure A (Full assay results applying a 0.1% Cu cut-off grade)

HoleID		From	To	Length	Au ppm	Ag ppm	Co ppm	Cu ppm
Q-001		16	39	23	0.14	2.6	1,622	4,759
Q-001	including	16	22	6	0.09	0.2	2,420	2,463
Q-001	and	22	27	5	0.52	5.3	3,655	13,744
Q-001	and	27	39	12	0.01	2.7	376	2,164
Q-002		0	47	47	0.02	0.8	315	1,238
Q-002	including	8	13	5	0.01	0.1	283	1,222
Q-002	and	16	20	4	0.05	0.3	575	1,538
Q-002	and	37	40	3	0.08	0.9	564	1,995
Q-002	and	45	46	1	0.01	19.1	20	20,700
Q-003		14	22	8	0.01	1.5	220	909
Q-004		24	44	20	0.01	0.4	64	392
Q-004	including	26	33	7	0.01	0.8	137	630
Q-005		66	70	4	0.21	3.1	566	5,035
Q-006		5	19	14	0.04	0.1	867	1,863
Q-006	including	15	19	4	0.03	0.1	2,380	3,154
Q-006		27	40	13	0.11	1.1	255	3,400
Q-006		41	48	7	0.11	0.3	2,257	2,082
Q-006		48	54	6	0.11	0.3	521	2,355
Q-006		57	65	8	0.10	0.4	285	2,832
Q-006		65	69	4	0.22	0.7	875	5,928
Q-006		72	77	5	0.05	0.2	797	961
Q-006		79	82	3	0.00	0.1	813	156
Q-006		104	109	5	0.06	0.5	364	2,748
Q-007		79	91	12	0.06	1.7	197	1,777
Q-007		94	96	2	0.14	2.6	3,007	1,075
Q-007		101	104	3	0.11	0.7	715	3,323
Q-007		137	144	7	0.05	0.4	802	2,360
Q-007	including	140	144	4	0.06	0.3	1,136	2,308
Q-007		147	149	2	0.05	0.3	998	2,125
Q-008		26	32	6	0.11	0.1	1,416	3,046
Q-008		32	42	10	0.19	0.1	247	1,965
Q-008		51	54	3	0.10	0.1	316	2,643
Q-008		61	68	7	0.02	0.2	75	1,765
Q-008		77	79	2	0.22	0.3	795	6,060
Q-008		85	90	5	0.28	0.1	1,953	8,262
Q-008		114	116	2	0.07	0.3	264	1,325
Q-008		124	135	11	0.05	0.5	421	2,352
Q-009		84	87	3	0.02	0.1	67	1,785
Q-009		124	130	6	0.20	0.3	2,478	6,228
Q-009		154	165	11	0.12	1.1	1,183	3,292
Q-009		167	173	6	0.04	0.7	257	1,966
Q-009		176	185	9	0.06	0.1	242	1,962

Annexure A (Full assay results applying a 0.1% Cu cut-off grade)

HoleID		From	To	Length	Au ppm	Ag ppm	Co ppm	Cu ppm
Q-010		53	56	3	0.46	0.1	308	2,648
Q-010		59	63	4	0.05	0.1	1,223	1,641
Q-010		81	86	5	0.08	0.6	472	2,783
Q-010		99	102	3	0.09	0.7	466	3,423
Q-010		124	144	20	0.14	2.1	1,858	5,144
Q-010		126	128	2	0.35	6.5	3,172	10,685
Q-010		131	139	8	0.16	2.6	2,106	7,240
Q-011		66	71	5	0.11	0.1	768	2,848
Q-011		100	105	5	0.17	2.0	218	5,198
Q-011	including	102	104	2	0.31	2.5	331	10,165
Q-011		108	113	5	0.13	0.4	1,026	2,962
Q-011		115	119	4	0.45	0.1	152	297
Q-011		120	135	15	0.30	0.9	382	3,662
Q-011		159	178	19	0.19	1.1	366	5,794
Q-011	including	160	164	4	0.24	2.8	418	7,070
Q-011	and	166	169	3	0.27	1.5	287	8,777
Q-011	and	172	175	3	0.24	0.2	359	7,487
Q-012		29	48	19	0.70	0.5	3,757	12,750
Q-012	including	29	38	9	0.08	0.4	5,251	3,016
Q-012	and	38	44	6	2.04	0.8	3,243	34,475
Q-012	and	44	48	4	0.06	0.2	1,169	2,063
Q-013		46	80	34	0.20	0.1	808	4,655
Q-013	including	46	51	5	0.05	0.2	628	2,381
Q-013	and	51	66	15	0.38	0.2	1,522	8,302
Q-013	and	51	54	3	0.75	0.2	1,138	13,333
Q-013	and	59	61	2	0.44	0.6	782	13,050
Q-013	and	66	80	14	0.06	0.1	108	1,560

JORC Code, 2012 Edition – Table 1 – RC DRILLING - MILLENIUM - Nov 2013

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• reverse circulation drilling was used to obtain 1 m samples from which 1 kg was pulverised to produce a primary pulp from which ICP (ALS MEICP-41) and fire assay (ALS AA25) analyses were completed
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation drilling using face sampling bit; Schram 450 with 1100cfm 350psi and 700psi air.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recoveries noted on Log sheet • Sample collected in cyclone prior to riffle splitting using triple-deck splitter • No obvious relationship between sample recovery and grade
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Washed chip samples logged on site using qualitative and descriptive terminology.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Riffle splitting of dry samples • Sample preparation methods appropriate to exploration drilling • Field Duplicate samples taken; awaiting analysis
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples are hand delivered to the ALS laboratory in Mt Isa for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% < 75µm. • Pulps are analyzed by using method code ME-ICP41, a 34 element determination using an aqua-regia digestion with ICP-AES determination and by fire assay for gold using a 30g charge (method code AA-25) • GBM® Standards are inserted in the sample sequence at the rate of 1 per hole.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent verification required at this stage • Laboratory CSV files are merged with drillhole data files using unique sample numbers as the key. • No adjustments made to assay data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Samples are located using handheld GPS receivers. • UTM projection GDA94 Zone 54 • Topographic control from handheld GPS survey using local differential control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral*	• Phase 1 exploration drilling at nominal 100m section spacing and 50m toe spacing. • Too early for resource estimation

Criteria	JORC Code explanation	Commentary
	Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• No compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill sections are transverse to the strike of the outcrop. • No bias is believed to be introduced by the sampling method.
Sample security	• *The measures taken to ensure sample security.*	• Samples are hand delivered by CYU staff to the ALS laboratory in Mount Isa
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal review of methodology is undertaken regularly by senior company personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Quamby Project consists of +1,000km^2 under Earn-In agreements with Altona Mining Ltd and Elementos Ltd. • There are no known impediments to exploration in the current area of operations.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The RC drill program was designed to validate drilling results from the 1970's and early 1980's. The program successfully validated previous exploration results and identified a (potentially) large mineral system.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Millenium mineralization occurs within a splay to the Quamby Fault. The Quamby Fault is the northern extension of the Pilgrim Fault which is a major crustal suture separating the Wonga and Quamby-Malbon sub-provinces of the Mount Isa craton. Mineralization is believed to be related to deep crustal fluids that have migrated along this suture. Other deposits in comparable locations include CYU's Elaine Deposit and Mt Dockerell Mining's Kalman Deposit.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Drill hole Information</td><td>

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.

If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

</td><td>
<table>
<tr><th>Name</th><th>East</th><th>North</th><th>RL</th><th>Collar Az</th><th>Collar Dip</th><th>Total Depth</th></tr>
<tr><td>Q-001</td><td>415873</td><td>7722531</td><td>238</td><td>100</td><td>60</td><td>120</td></tr>
<tr><td>Q-002</td><td>416015</td><td>7723032</td><td>259</td><td>100</td><td>60</td><td>78</td></tr>
<tr><td>Q-003</td><td>415985</td><td>7722919</td><td>233</td><td>100</td><td>60</td><td>78</td></tr>
<tr><td>Q-004</td><td>415956</td><td>7722915</td><td>235</td><td>100</td><td>60</td><td>126</td></tr>
<tr><td>Q-005</td><td>415950</td><td>7723041</td><td>241</td><td>100</td><td>55</td><td>126</td></tr>
<tr><td>Q-006</td><td>416029</td><td>7723406</td><td>257</td><td>100</td><td>60</td><td>120</td></tr>
<tr><td>Q-007</td><td>415993</td><td>7723430</td><td>251</td><td>100</td><td>60</td><td>150</td></tr>
<tr><td>Q-008</td><td>416047</td><td>7723503</td><td>250</td><td>100</td><td>60</td><td>162</td></tr>
<tr><td>Q-009</td><td>416008</td><td>7723512</td><td>249</td><td>100</td><td>60</td><td>204</td></tr>
<tr><td>Q-010</td><td>416088</td><td>7723597</td><td>238</td><td>100</td><td>60</td><td>144</td></tr>
<tr><td>Q-011</td><td>416042</td><td>7723604</td><td>248</td><td>100</td><td>60</td><td>180</td></tr>
<tr><td>Q-012</td><td>415957</td><td>7722808</td><td>249</td><td>100</td><td>60</td><td>84</td></tr>
<tr><td>Q-013</td><td>415926</td><td>7722806</td><td>250</td><td>100</td><td>65</td><td>120</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
The assumptions used for any reporting of metal equivalent values should be clearly stated.

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Summary intersections are length weighted averages of assay data using nominal 1000ppmCu or 500ppmCo cutoffs as appropriate.

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<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>

These relationships are particularly important in the reporting of Exploration Results.
If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).

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There is currently insufficient drilling to fully understand the geometry of the mineralization. Drillholes are believed to be transverse to mineral trends.

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<tr><td>Diagrams</td><td>

Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.

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Drill plan, typical section and long section included in discussion

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Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Summary Intercepts attached
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Geological mapping in progress.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Phase 2 drilling along strike and down-dip is planned for 2014.